

## **BILL ANALYSIS**

Senate Research Center  
87R669 JES-D

S.B. 330  
By: Lucio  
Finance  
3/31/2021  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under the Tax Code, qualified charitable organizations formed exclusively to perform religious, charitable, scientific, literary, or educational purposes are exempted from paying property taxes. Such exemptions provide significant financial relief to these organizations and allow them to redirect their limited resources to important community programs. Concerned stakeholders report that exemptions do not apply to a charitable entity structured solely to own property that provides a meeting place for the use by such organizations. For example, a charitable organization formed specifically to own property to provide a meeting place for Alcoholics Anonymous does not qualify under the exemptions provided in the Tax Code. Without this exemption, limited financial resources have to be used to pay property taxes instead of providing the community with valuable support programs.

S.B. 330 amends statute to offer an ad valorem tax exemption to a charitable organization formed exclusively to provide a meeting place and support services to persons suffering from substance abuse disorders and to their families. To prohibit misuse of this exemption, this bill is narrowly drafted to apply only to charitable organizations formed specifically to provide a meeting place for this specified purpose. This tax relief will make available additional financial resources that can be directed to important community support services.

As proposed, S.B. 330 amends current law relating to the exemption from ad valorem taxation of property owned by a charitable organization that provides a meeting place and support services for organizations that provide assistance to persons with substance use disorders and their families.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 11.18(d), Tax Code, to include in the list of charitable organizations that qualify for an exemption from ad valorem taxation an organization engaged exclusively in providing a meeting place and support services for organizations that provide assistance to persons with substance use disorders and their families without regard to the beneficiaries' ability to pay. Makes nonsubstantive changes.

SECTION 2. Provides that this Act applies only to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2022.